

HOUSE BILL 1042

By Gant

AN ACT to amend Tennessee Code Annotated, Title 67, Chapter 4, Part 17; Title 67, Chapter 4, Part 20 and Title 67, Chapter 4, Part 21, relative to taxation of business entities and their owners.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 67-4-2109, is amended by adding the following as a new subsection:

(r) Any corporation, limited liability company, limited partnership, limited liability partnership, or other entity subject to the franchise and excise tax imposed by this part and part 20 of this chapter, shall be allowed a credit against the entity's combined franchise and excise tax liability equal to the amount of professional privilege tax properly paid by the entity's qualified owner pursuant to part 17 of this chapter. The commissioner may require the filing of information necessary to substantiate the amount of credit allowed by this subsection (r). As used in this subsection (r), "qualified owner" means any natural person who, directly or indirectly, has more than eighty percent (80%) ownership interest in a corporation, limited liability company, limited partnership, limited liability partnership, or other entity.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.